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THE WHITE HOUSE

WASHINGTON

May 6, 1969

Dear Mr. Kissinger:

The President has asked me to send you the enclosed article by Peter Drucker, taken from The Public Interest, in the thought that it will interest you and the hope that you might find time to give it your close attention.

Sincerely,



Daniel P. Moynihan
Assistant to the President

ON-FILE NSC RELEASE
INSTRUCTIONS APPLY

Honorable Henry A. Kissinger
The White House
Washington, D.C.

Enclosure

6/3/69

Dear Mr. Moynihan -
I read the enclosed with
great interest and appreciate your
bringing it to my attention.
Respectfully
Henry A. Kissinger

THE WHITE HOUSE

WASHINGTON

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May 20, 1969

SUMMARY FOR DR. KISSINGER

FROM: Morton H. Halperin *mh*

SUBJECT: "The Sickness of Government" by Peter F. Drucker

Background

Article forwarded, at President's request, by Moynihan.

Recommendation

That you briefly glance at the prepared summary.

Summary

I. Because

- of general disenchantment with government, ranging from doubt and distrust to rebellion against, and cutting across national and ideological lines;
- of government's failure to perform in crucial areas;
- of the fact that government cannot now govern in light of its present orientation, administrative incompetence and autonomous agencies;
- of the concomitant and growing disparity between apparent power and the actual lack of control over the bureaucracy, and the execution of policy;

II. The author argues that

- although necessary steps, it is not enough to know how to make the bureaucracy do one's bidding, to improve efficiency and to build in automatic abandonment processes for programs;
- an essentially different concept of the role of government is necessary.

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III. This different concept is labelled "reprivatization", which is explained thusly:

- "governing" is incompatible with "doing" and "administering", and any attempt to combine the two on a large scale paralyzes decision-making capacity;
- the task of government should be "decision-making" and "direction";
- operating managements should be left with the task of "doing";
- "operating managements" are not local governments, but the nongovernmental institutions of society such as business, schools, universities, hospitals, et cetera.

IV. Therefore, the primary questions for government would be as follows:

- how do these institutions work and what can they do?
- how can political and social objectives be formulated and organized as to become opportunities for performance for these institutions?
- what opportunities for accomplishment of political objectives do the abilities and capacities of these institutions offer to government?

V. Odds & Ends

- The economic role of business is special because it is an organ of innovation (the function of loss makes business the most adaptable and flexible of the institutions) and because society will permit business institutions to disappear.
- "Reprivatization" on the international scale is represented by the World Bank, IMF and multinational corporations.
- There is no argument for a return to "laissez faire" or non-direction.
- The argument is that only by confining itself to "decision and direction" can government become vigorous, strong and active.